STANDARD FORM NO. 64

CONFIDENTIAL SECURITY INFORMATION

Office Memorandum • UNITED STATES GOVERNMENT

TO : ARA - Mr. Mann MID - Mr. Burrows DATE: June 29, 1953
ARA - Mr. Woodward

FROM : MID - Mr. Fisher

SUBJECT: Further Developments in Guatemala Adverse to U.S.

The following events have occurred in Guatemala in the past few days:

1. The communist faction won a decisive control of the railway union SAMF, beating the anti-communists behind Arturo MORALES Cubas two to one in a union election on June 18, 19 and 20.

2. Minister of Interior Augusto CHARNAUD MacDonald on June 18 joined with pro-communist Roberto ALVARADO Fuentes (co-secretary general of the Arbencista PRG party) in publicly denouncing the anti-communist forces in the SAMF. Thus Charnaud turned on his own long-time supporter Morales Cubas, and cut the ground from under those who might have hoped to see Charnaud lead a pro-administration movement against the communists.

3. Congress passed on June 19 an amendment to the Agrarian Reform Law which will strengthen considerably the control of the communist-led labor and farm unions CGTG and CNCG over the Departmental Agrarian Commissions. The bill as submitted to Congress by Arbenz provided for just the opposite. The rebuff to Arbenz more apparent than real, however, since he met with Congressional leaders on the matter before the vote was taken, and could certainly have avoided a public conflict had he felt it of importance. Moreover, the official daily came out in favor of the amendment as passed.

4. Six Congressmen, all belonging to the PAR or RN (pro-administration) parties, are reported in the official daily to be planning to attend the Fourth Youth Festival at Bucharest as representatives of their parties. Seven delegates representing Guatemalan Communist front organizations have also been selected to attend. (Col. Carlos PAZ Tejada, former Chief of Armed Forces, an officer not before identified with Communism, attended the World Peace Conference at Budapest earlier this month, apparently sent as a last-minute replacement for the veteran "peace congress" delegate, Roberto ALVARADO Fuentes).

5. There are open threats of communist-incited strikes against the U.S.-owned Empresa Electrica de Guatemala and against the United Fruit Company at Barrios, on the Caribbean coast.

6. Foreign developments have touched off ~~ugly attacks on the U.S.~~ in practically all of the independent dailies in Guatemala, which have usually been friendly to this country. Now, the U.S. is portrayed in contemptuous

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contemptuous terms as a false friend to small nations such as the heroic South Korean Republic. As the official press has been uniformly anti-American, there is no voice in Guatemala supporting the U.S. in its efforts to sign an armistice in Korea.

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